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KURT ADAMS
STEPHEN L. DIAMOND
CHAIRMAN

SHARON REISHUS
COMMISSIONERS

September 8, 2005

Marlene H. Dortch, Secretary
Federal Communications Commission
Portals II
445 12th Street sw
Suite W-A325
Washington, DC 20554

Karen Majcher
Vice President of High Cost and Low
Income Division
Universal Service Administrative
Company
2120 L. Street, NW -Suite 600
Washington, DC 20037

Re: CC Docket No. 96-45, USF Certification as Required by 47 C.F.R. §§ 54.313
54.314

Dear Ms. Dortch and Ms. Majcher:

On September 8, 2005, the Maine Public Utilities Commission ("MPUC") designated U.S. Cellular Corporation, SAC No. 109002, ("U.S. Cellular") as an eligible telecommunications carrier ("ETC") in the state of Maine. *U.S. CELLULAR, Request for Designation as Eligible Telecommunications Carrier*, Docket No. 2004-246, Order Approving Revised Stipulation (September 8, 2005). U.S. Cellular has submitted a letter to the MPUC certifying that all federal high-cost universal service support received by U.S. Cellular will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, as required by 47 U.S.C. Section 254(e). A copy of U.S. Cellular's certification is enclosed herewith, along with a copy of the order designating U.S. Cellular as an ETC.

Pursuant to 47 C.F.R. §§ 54.313 and 54.314, and based on U.S. Cellular's certification, the MPUC certifies, to the best of its knowledge, that all support received by U.S. Cellular will be used only for the purposes set forth in 47 U.S.C. § 254(e). The MPUC Certification of compliance with 47 C.F.R. 54.314(e) is based on the representations made by U.S. Cellular both in its certification and in the stipulation approved by the MPUC in the September 8, 2005 Order.

This certification applies to support received by U.S. Cellular for two separate periods: (1) from September 8, 2005 (the date of the MPUC designation) through December 31, 2005, and (2) for calendar year 2006.

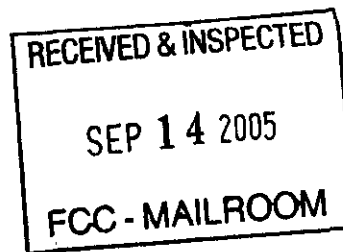
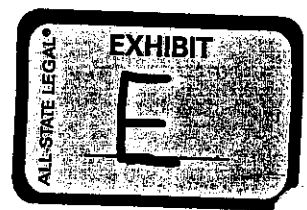
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If you have any questions regarding this letter, please contact Joel Shifman at joel.shifman@maine.gov or at (207)287-1381.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick J. Damon". The signature is fluid and cursive, with the first name "Patrick" and last name "Damon" clearly distinguishable.

Patrick Damon
Administrative Director



Thomas L. Welch, Chairman
Maine Public Utilities Commission
242 State Street
18 State House Station
Augusta, Maine 04333-0018

Date: April 6th, 2004

Re: United States Cellular Corporation High-Cost Certification

To the Commission:

Maine RSA #1, Inc., Maine RSA #4, Inc., Bangor Cellular Telephone, L.P. and Lewiston Celltelco Partnership (collectively "U.S. Cellular", "Company") has submitted a Petition for ETC designation in the State of Maine. As required by Sections 54.313(b) and 54.314(b) of the Federal Communications Commission's rules, 47 C.F.R. §§ 54.313(b), 54.314(b), U.S. Cellular hereby submits the certification below in order to begin receiving high-cost support in its designated ETC area.

Accordingly, as Director of External Affairs of U.S. Cellular, I hereby certify on behalf of the Company and under penalty of perjury that all high-cost support provided to the Company will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to Section 254(e) of the Telecommunications Act of 1996, 47 U.S.C. § 254(e). I also certify that I am authorized to make this certification on the company's behalf.

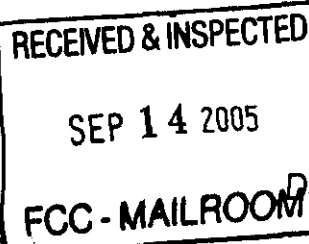
Sincerely,

Bradley L. Stein
Director, External Affairs

SUBSCRIBED AND SWORN TO
before me this 6th day
of April, 2004.

Notary Public

STATE OF MAINE
PUBLIC UTILITIES COMMISSION



Docket No. 2004-246

September 8, 2005

U.S. CELLULAR
Request for Designation as Eligible
Telecommunications Carrier

ORDER APPROVING
STIPULATION

ADAMS, Chairman; DIAMOND and REISHUS, Commissioners

I. SUMMARY

In this Order, we approve a Revised Stipulation among all the parties. Pursuant to the terms of the Stipulation, we designate U.S. Cellular Corporation as an eligible telecommunications carrier (ETC) under 47 U.S.C. § 214(e). The Stipulation contains provisions establishing how U.S. Cellular will comply with various requirements of 47 C.F.R. § 54.101 ("Supported Services") that apply to all ETCs, attaches certain other conditions to the designation of U.S. Cellular as an ETC, and defers certain issues for future consideration. We approve all of these additional provisions.

II. BACKGROUND; RECORD

U.S. Cellular filed its application for the Commission to designate it as an ETC on April 8, 2004. The Company filed prefiled testimony on September 16, 2004. It filed additional testimony and comments on March 24, 2005. No other party filed testimony, but during the course of the proceeding, the other two parties in the case, the Public Advocate and the Telephone Association of Maine (TAM) filed comments. The application, the prefiled testimony and comments of all the parties constitute the record in this case for the purpose of approving the stipulation.

III. LEGAL STANDARDS

A. For Approval of the Stipulation

In reviewing a stipulation submitted by the parties to a proceeding, we consider whether the parties joining the stipulation represent a sufficiently broad spectrum of interests such that there is no appearance or reality of disenfranchisement, whether the process was fair to all parties, and whether the stipulated result is reasonable and in the public interest. *Consumers Maine Water Co., Proposed General Rate Increase of Bucksport and Hartland Divisions*, Docket No. 96-739 (Me. P.U.C. July 3, 1997). All parties joined the Stipulation. The Public Advocate represents the interests of utility ratepayers in Maine. TAM represents the rural incumbent local exchange carriers (ILECs) in Maine, including the several ILECs that are ETCs. All parties participated in the process that led to the Stipulation. In this proceeding, as

discussed below, federal law requires that we find that designation of U.S. Cellular as an ETC is in the public interest. Necessarily, that finding also applies to the Stipulation.

B. For Designation of a Carrier as an ETC

The Telecommunications Act of 1996 provided for the continuing support of universal service goals by making federal USF available to carriers that are designated as ETCs. Section 214(e)(2) of the TelAct gives state commissions the primary responsibility for designating carriers as ETCs. To be designated an ETC, a carrier must offer the nine services supported by the universal service fund¹ to all customers within the ETC's service area and the availability of those services throughout the service area. 47 U.S.C. §214(e)(1). In addition, as a condition of receiving federal USF support, each year a carrier must certify to the state commission and the FCC that the funds it receives are being used in a manner consistent with the requirements of 47 U.S.C § 254(e).

In the case of an area served by a rural ILEC, the ETC's designation must be in the public interest. 47 U.S.C. § 214(e)(2). There is little guidance, however, within the TelAct about how state commissions should evaluate the "public interest" in this context. Other state commissions have found that they should take into account the purposes of the Act and consider the relative benefits and burdens that an additional ETC designation would bring to consumers as a whole.² The FCC, when acting in the place of a state commission because of jurisdictional limitations, has considered such factors as: (1) whether the customers are likely to benefit from increased competition; (2) whether designation of an ETC would provide benefits not available from ILECs; and (3) whether customers would be harmed if the ILEC decided to relinquish its ETC designation.³ In our only previous designation of a wireless carrier as an ETC we found that designation of RCC was in the public interest because:

¹ The FCC has defined the services that are to be supported by the federal universal service support mechanisms to include: (1) voice grade access to the public switched network; (2) local usage; (3) Dual Tone Multifrequency (DTMF) signaling or its functional equivalent; (4) single-party service or its functional equivalent; (5) access to emergency services, including 911 and enhanced 911; (6) access to operator services; (7) access to interexchange services; (8) access to directory assistance; and (9) toll limitation for qualifying low-income customers. 47 C.F.R. § 54.101(a).

² See e.g., *In the Matter of the Petition of RCC Minnesota, Inc. For Designation as an Eligible Telecommunications Carrier*, Wash. Utilities and Transportation Commission, Docket No UT-02033, Order (Aug 14, 2002) at ¶ 10.

³ *In the Matter of the Federal State Joint Board on Universal Service, RCC Holdings, Inc. Petition for Designation as an Eligible Telecommunications Carrier Throughout Its Licensed Service Area in the State of Alabama*, CC Docket 96-45, DA 02-3181, Memorandum Opinion and Order (Nov. 26, 2002) (*Alabama Order*).

Universal service should include choice in providers and access to modern services. Designating RCC as an ETC will allow rural customers to enjoy the same choices in telecommunications that urban customers have, including additional access to broadband through wireless devices. Further, because of the way federal USF is calculated, designation of RCC will not take any money away from Maine's rural ILECs.

RCC Minnesota, Inc., SRCL Holding Company, and Saco River Communications Corporation, Request For Designation As Eligible Telecommunications Carrier, Docket No. 2002-344, Order (May 13, 2003) at 8. (RCC Order)

III. DESIGNATION; PUBLIC INTEREST

On August 18, 2005, U.S. Cellular, the Public Advocate, and the Telephone Association of Maine (TAM) filed a Revised Stipulation. The Revised Stipulation replaced the Stipulation filed on August 10, 2005, that in turn replaced Partial Stipulation filed on June 20, 2005. The Partial Stipulation, in addition to leaving several issues unresolved, was signed only by the Company and the Public Advocate. The Revised Stipulation contains an agreement that the Commission should find that designation of U.S. Cellular as an ETC in the public interest, that it should make other findings required for that designation, and should make the designation. We find this agreement is reasonable.

Specifically, we find that designation of U.S. Cellular as an ETC is in the public interest for the reasons stated in Section B.3 of the Stipulation. These include the representations that designation of U.S. Cellular as an ETC will allow rural customers to enjoy new services comparable to those enjoyed by urban customers, including mobility, voice mail, short message service ("SMS"), call waiting, and additional access to broadband through wireless devices; that U.S. Cellular has committed to using the support for the provision, maintenance, and upgrading of facilities and services for which the support is intended, the improvement and expansion of its wireless coverage, and for providing service upon reasonable request. Federal high-cost universal service support will enable U.S. Cellular to build out its network to areas that lack adequate cellular service, enhancing wireless communications for public safety and law enforcement, thus mitigating the unique risks of geographic isolation associated with living in rural communities. We also find that U.S. Cellular's commitments to abide by Chapters 290 and 294 (Lifeline and Link Up Service Provisions), and its agreement to provide access on its towers to competitors and to public agencies (without charge on an *ad hoc* basis) are all in the public interest. In addition, because of the way federal USF is calculated, the designation of U.S. Cellular will not result in a reduction of support to Maine's rural ILECs.

We designate U.S. Cellular as an ETC for the areas described on Exhibit A, including the wire centers listed on Exhibits B and C, attached to the Application filed by U.S. Cellular on April 9, 2004, and we conditionally designate U.S. Cellular as an ETC

for the areas listed on Revised Exhibit D⁴, attached to the Stipulation. In *In the Matter of* Federal-State Board on Universal Service, CC Docket No. 96-45, Report and Order (released March 17, 2005) (FCC March 17, 2005 Order), the Federal Communications Commission concurred in this Commission's redefinition, in the *RCC Order*, of various rural incumbent local exchange carrier ("ILEC") service areas. Therefore, there is no need for further redefinition of ILEC service areas for U.S. Cellular's purposes.

U.S. Cellular has certified, in Exhibit E to its application, that it will comply with the requirement of 47 U.S.C. § 254(e) and 47 C.F.R. § 54.7 of the FCC's regulations that high-cost support will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

IV. OTHER STIPULATION PROVISIONS

The Revised Stipulation contains a number of other provisions. These include provisions stating that U.S. Cellular will comply with Chapters 285 and 288 of the Commission's rules,⁵ that the "Basic Service Plan" offered in Mr. Stein's March 2 testimony complies with the local usage requirement of 47 C.F.R. § 54.101(a)(2), and that U.S. Cellular will provide toll blocking for low income customers, as required by 47 C.F.R. § 54.101(a)(9) and as described in the Stein Testimony. The Revised Stipulation does not contain specific provisions about how U.S. Cellular will meet the other service requirements of 47 C.F.R. § 54.101(a), but U.S. Cellular's testimony addressed some of those requirements, and they are requirements that U.S. Cellular (and all ETCs) must meet. U.S. Cellular must also advertise the availability of the supported services, as required by 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.101(a).

The Revised Stipulation states, as a condition of the ETC designation, that U.S. Cellular will comply with Ch. 290 of the Commission's Rules for its "Basic Service Plan"

⁴ Revised Attachment D corrected an error in the original Attachment D filed with the Application.

⁵ Chapters 285 and 288, respectively, are the Commission's rules governing the Maine Telecommunications Education Access Fund (MTEAF) and the Maine Universal Service Fund (MUSF). They require all carriers, including all wireless carriers (both ETCs and non-ETCs) to contribute to the Funds. The agreement by U.S. Cellular to comply with the Rules in this respect therefore adds nothing to what is already required by the Rules. The Rules also provide that carriers subject to the Commission's direct regulation cannot impose surcharges on their customers that exceed the percentage of intrastate retail revenues that the carriers pay into the Funds. Wireless carriers are not subject to rate regulation of the Commission, however, and the surcharge provisions of Chapters 285 and 288 do not apply to wireless carriers. U.S. Cellular's agreement to comply with the provisions of these Chapters, as a condition of the ETC designation, means that it must comply with the surcharge provisions, both as to level and billing requirements. We will not, however, require U.S. Cellular to comply with tariffing requirements of the Rules, but U.S. Cellular must inform the Commission whether it is imposing surcharges for either Fund and the amount of the surcharges.

that satisfies the "local usage" requirement under 47 C.F.R. § 54.101(a)(2), with the exception that Section 12(l) of Chapter 290, requiring an apportionment of bills between "basic" and "toll" service (a distinction not relevant in the wireless industry) will not apply.

Finally, under the Stipulation, U.S. Cellular has committed to a planning horizon of five years. As part of its annual reporting requirement, beginning on September 1, 2006, U.S. Cellular will file a description of its proposed disposition of Universal Service Funds for the 24-month period beginning October 1 of each year (the "Two-Year Plan")⁶ and a statement (the "Goals Statement") explaining its network expansion goals over the 36-month period beginning with the conclusion of the period covered by the Two Year Plan. The Goals Statement will indicate the areas selected by USCC for network expansion (beyond those addressed in the Two-Year Plan). The Two-Year Plan and the Goals Statement do not constitute a commitment on the part of U.S. Cellular to build any given facility, and the network expansion plans and goals are subject to change for various reasons, including reduced universal service funding levels.

V. FURTHER PROCEEDINGS

This docket shall remain open for the filing of the annual reports that U.S. Cellular must file as required by law and by the Stipulation. Pursuant to Section B.7 of the Stipulation, the Commission will address the question of the extent to which the requirements, applicable in Federal Communications Commission proceedings pursuant to the *FCC March 17, 2005 Order* in CC Docket No. 96-45, should apply in the future to wireless ETCs in Maine, as well as the other issues described in Stipulation Section B.7.

VI. ORDERING PARAGRAPHS

Accordingly, we

1. DESIGNATE U.S. Cellular as an eligible telecommunications carrier for the areas described on Exhibit A, including the wire centers listed on Exhibits B and C, to the Application filed by U.S. Cellular on April 9, 2004, and Revised Exhibit D attached to the Stipulation;

2. FIND that U.S. Cellular has met the "high-cost certification" requirement of Section 54.313 and 54.314 of the FCC's Rules, and that it will use the resulting support for its intended purposes;

3. FIND, in light of the concurrence by the Federal Communications Commission, in the *FCC March 2005 Order* in CC Docket No. 96-45, in the prior

⁶ The initial two-year plan, which is effective from October 1, 2005 to September 30, 2006, is the proposed build-out plan set forth in the Prefiled Direct Testimony of Markham Gartley and Attachment A to the Stipulation.

redefinition of various rural incumbent local exchange carrier ("ILEC") service areas by the Maine Public Utilities Commission in the RCC Order, there is no need for further redefinition of ILEC service areas for the purpose of designating U.S. Cellular as an eligible telecommunications carrier;

4. CERTIFY that from the date of this Order that U.S. Cellular has certified that it will comply with the requirement of 47 U.S.C. § 254(e) and 47 C.F.R. § 54.7 of the FCC's regulations that high-cost support will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended;

5. FIND that designation of U.S. Cellular as an eligible telecommunications carrier in rural ILEC areas meets the public interest test under 47 U.S.C. § 214(e)(2) for the reasons stated in above in this Order;

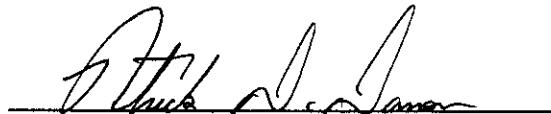
6. ORDER U.S. Cellular annually to file the reports required by Section B.5 of the Revised Stipulation;

7. REQUIRE, as a condition of the ETC designation and as provided in the Stipulation, U.S. Cellular to comply with all provisions of Chapters 285 and 288 applicable to contributing carriers, except that U.S. Cellular shall not comply with the tariff filing requirements of Chapter 288, § 5(B)(12); but shall instead inform the Commission by letter to be filed in this case whether it is imposing surcharges for the Maine Telecommunications Education Access Fund or the Maine Universal Service Fund, or both, and the amount of the surcharges; U.S. Cellular shall file letters updating the above information when such information changes;

8. APPROVE the Revised Stipulation filed by all the parties in this case on August 18, 2005 and INCOPORATE its provisions as part of this Order.

Dated at Augusta, Maine, this 8th day of September, 2005.

BY ORDER OF THE COMMISSION



Patrick Damon
Administrative Director

COMMISSIONERS VOTING FOR: Adams
Diamond
Reishus

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.

**STATE OF MAINE
PUBLIC UTILITIES COMMISSION**

Docket No. 2004-246

**UNITED STATES CELLULAR
Request for ETC Designation**

REVISED STIPULATION

A. Introduction and Procedural History.

On April 9, 2004, United States Cellular Corporation ("U.S. Cellular" or the "Applicant")¹ submitted an Application seeking designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214 (e)(2) of the Communications Act of 1934, as amended, (the "Act") 47 U.S.C. Section 214(e)(2) and Section 54.201 of the Rules of the Federal Communications Commission ("FCC"), 47 C.F.R. Section 54.201 ("Application"). The Application asked that U.S. Cellular be designated as eligible to receive all available support from the federal Universal Service Fund ("USF") including, but not limited to, support for rural, insular and high cost areas and low income customers.

On September 16, 2004, the Applicant submitted the prefiled direct testimony of three of its officers describing U.S. Cellular's Maine operations and its fitness for Eligible Telecommunications Carrier designation. In addition, U.S. Cellular provided the prefiled direct testimony of thirty-four Maine citizens from the towns of Jonesport, Bingham and Fort Fairfield, Maine in support of its Application.

On September 21, 2004, the Examiner entered a Procedural Order setting deadlines for intervention and other matters. The Office of the Public Advocate ("OPA") had previously submitted a Petition to Intervene on April 13, 2004. The Telephone Association of Maine submitted a Petition to Intervene on October 7, 2004.

On September 14, 2004, the Applicant submitted a Motion seeking a protective order covering certain radio frequency propagation maps that it intended to file as exhibits to the prefiled direct testimony of Markham Gartley, U.S. Cellular's Manager of Construction for the Northeast Region. On October 22, 2004, the Examiner entered an order declining to grant the protective order.

Following a Conference of Counsel held on November 1, 2004, the parties agreed that the record, consisting of the Company's prefiled direct case, would be closed and that the case was in order for briefing. On November 17, 2004, the Examiner entered a Briefing Order, pursuant to which TAM submitted its brief on November 22, 2004, and the OPA and U.S. Cellular submitted their briefs on December 6, 2004.

¹ U.S. Cellular owns all or a majority interest in Maine RSA #1, Inc., Maine RSA #4, Inc., Bangor Cellular Telephone, L.P. and Lewiston Celltelco Partnership (the "Licensees"), each of which holds FCC licenses to provide cellular service and/or broadband Personal Communications Service ("PCS") in Maine. In this Stipulation, the words "U.S. Cellular" and "Applicant" shall refer collectively to U.S. Cellular and the Licensees.

On December 2, 2004, the Applicant submitted a Resolution adopted by the Maine Sheriffs Association endorsing its Application.

On Friday, December 17, 2004, the Examiner held a case conference with all parties to discuss various issues in the case.

On January 26, 2005 the Examiner entered a Procedural Order requesting comments and, if deemed necessary by any party, additional prefiled testimony on various issues. On March 2, 2005, U.S. Cellular filed a Supplemental Brief together with the Prefiled Direct Testimony of Bradley Stein addressing the issues set forth in the Examiner's Notice. (No other party made a responsive filing.)

On May 3, 2005, the Examiner entered a Procedural Order calling for comments on the Federal Communications Commission's ("FCC") decision *In the Matter of Federal-State Board on Universal Service*, CC Docket No. 96-45, *Report and Order* (rel. March 17, 2005) (the "FCC ETC Order"). U.S. Cellular appealed the Procedural Order, arguing, among other things, that the existing record was sufficient for the Commission to make a decision on its Application, and that the Application should be evaluated based on the laws and policies then in effect. The Commission granted U.S. Cellular's appeal during a deliberative session held on May 23, 2005 by Order dated June 24, 2005.

On June 20, U.S. Cellular and the Public Advocate filed a Partial Stipulation resolving various issues in this case, and leaving other issues open for further litigation.

On July 11, the Examiner issued a Procedural Order (the "July Procedural Order") indicating various issues that the parties should be prepared to address at any upcoming oral argument and/or hearing. The Commission then held a teleconference of counsel on July 18 to discuss potential settlement terms and other matters.

On August 10, the parties submitted a Stipulation containing a comprehensive resolution of all issues in the Docket. Following an August 17 conference call with the Commission Staff, the parties made changes to the August 10 Stipulation to address issues raised by Staff, resulting in this Revised Stipulation.

The parties to this Stipulation have engaged in additional settlement discussions and have now arrived at a Stipulation, set forth in Section B below, which, if accepted by the Commission, will fully and finally dispose of all matters raised in this Docket. The parties jointly recommend that the Commission accept and adopt this Stipulation as its final disposition of all of the issues in this case.

B. Stipulation.

The parties hereby agree as follows:

1. U.S. Cellular Designated an ETC.

The Commission shall enter an Order:

(a) designating U.S. Cellular as an ETC for the areas indicated on Exhibit A, including the wire centers indicated on Exhibits B and C, to U.S. Cellular's Application, and conditionally designating U.S. Cellular as an ETC for the areas indicated on Exhibit D pending FCC concurrence (see 1(c) *infra*),²

(b) finding that U.S. Cellular has met the "high-cost certification" requirement of Section 54.313 and 54.314 of the FCC's Rules, and that it will use the resulting support for its intended purposes,

(c) finding that, in light of the concurrence granted in the *FCC ETC Order*, the previous redefinition of rural incumbent local exchange carrier ("ILEC") service areas in the *RCC Order* eliminates any need for further redefinition for U.S. Cellular's purposes, and

(d) stating that the Commission shall promptly certify to the FCC that U.S. Cellular complies with the requirement under Section 254(e) of the Act and Section 54.7 of the FCC's Rules that high-cost support be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

2. Compliance with Chapters 285 and 288.

Applicant agrees that it will abide by Chapters 285 and 288 of the Commission's Rules.

3. Public Interest.

The parties agree that a grant of ETC status to U.S. Cellular in rural ILEC areas meets the "public interest" test under 47 U.S.C. § 214(e)(2). Designating U.S. Cellular as an ETC will allow rural customers to enjoy new services comparable to those enjoyed by urban customers, including mobility, voice mail, short message service ("SMS"), call waiting, and additional access to broadband through wireless devices. *See Advantage Cellular Systems, Inc.*, 19 FCC Rcd 20,985, 20,993 (2004). A grant of the Application is also supported by U.S. Cellular's commitment to provide service upon reasonable request and to use a portion of its support for the improvement and expansion of its wireless coverage.³ *See NPCR, Inc. d/b/a Nextel Partners*, 19 FCC Rcd 16,530, 16,539 (2004). U.S. Cellular's additional

² U.S. Cellular's April 9 Application incorrectly showed the Moosehorn Exchange, which is a part of Somerset Telephone Company's service territory, as being a portion of Northland Telephone Company's service territory. Attached is a Revised Exhibit D correcting this error. Exhibit A of the Application, a map of the Applicant's proposed ETC service territory overlaying the service territories of existing ETCs, did not include this error.

³ U.S. Cellular specifically commits to follow the requirements of the Tel Act with respect to its use of Universal Service Funds: "A carrier that receives [federal universal service] support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." 47 U.S.C. § 254(e).

commitments described herein, including its agreement to abide by Chapters 290 and 294 and report annually on its USF expenditures, also support a favorable public interest finding. Federal high-cost universal service support will enable U.S. Cellular to build out its network to areas that lack adequate cellular service, enhancing wireless communications for public safety and law enforcement, thus "mitigat[ing] the unique risks of geographic isolation associated with living in rural communities." *Virginia Cellular, LLC*, 19 FCC Rcd 1563, 1576 (2004) ("*Virginia Cellular*"). Further, because of the way federal USF is calculated, designation of U.S. Cellular will not result in a reduction of support to Maine's rural ILECs. See *Federal-State Joint Board on Universal Service, Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth Report and Order, Twenty-second Order on Reconsideration, and Further Notice of Proposed Rulemaking*, 16 FCC Rcd 11244, 11294 (2001) ("*Fourteenth Report and Order*")

4. Cream Skimming.

The parties agree that the redefinition of the rural ILEC service areas listed in Exhibit D will not result in the uneconomic receipt of high-cost support in relatively low-cost portions of a study area ("cream skimming"). U.S. Cellular is not attempting to cream-skim affected areas. Instead, it proposes to serve its entire FCC-licensed area in rural Maine. To the extent there may be concerns that U.S. Cellular will unintentionally receive uneconomic levels of support, this possibility has been substantially eliminated by the ability of all rural ILECs to reallocate support among wire centers pursuant to the FCC's disaggregation rules. Indeed, all but one of the affected ILECs has already done so. Moreover, the possibility of cream skimming is rendered even more remote by the fact that the counties in which the relevant wire centers are located—Aroostook, Franklin, Hancock, Oxford, Somerset, and Waldo—are among the most sparsely populated in the state.

5. Reporting Requirement: Goals Statement.

U.S. Cellular shall file on an annual basis a report with the Commission stating (1) the total amount it received as a result of its designation as an ETC in Maine during the prior calendar year, (2) the investments it made during the prior calendar year in support of its Maine operations that would not have been made but for its designation as an ETC in Maine, (3) a description of its proposed disposition of Universal Service Funds for the 24-month period beginning October 1 of each year (the "Two-Year Plan", and (4) a statement (the "Goals Statement") explaining its network expansion goals over the 36-month period beginning with the conclusion of the period covered by the Two Year Plan. The Goals Statement shall indicate the areas selected by USCC for network expansion (beyond those addressed in the Two-Year Plan), taking into account the "dead spot" information found on the "I Can't Hear You Now" Map maintained by the OPA. The parties agree that the Two-Year Plan and the Goals Statement do not constitute a commitment on the part of U.S. Cellular to build any given facility, and that network expansion plans and goals are

subject to change for various reasons, including reduced funding levels. U.S. Cellular shall file its initial report on September 1, 2006 (which report shall cover funds received and disbursed during 2005, and its proposed dispositions for the 24-month period beginning October 1, 2006). The parties agree that the Applicant's proposed build-out plan set forth in the Prefiled Direct Testimony of Markham Gartley and attached hereto as Attachment A shall constitute its initial Two Year Plan. Applicant estimates that it will take approximately 24 months to complete this build-out plan. The parties acknowledge that the precise locations of the construction and other improvements may change as a result of shifts in consumer demand and fluctuations in available support levels. See *Virginia Cellular*, 19 FCC Rcd at 15171.

6. Commission Power to Modify Orders.

The parties acknowledge that the Commission retains continuing jurisdiction to review, modify, or revoke its designation of U.S. Cellular as an ETC or to alter or amend the service area in all manners allowed to it under state and federal law.

7. Notice of Inquiry

Upon acceptance of this Stipulation, the Commission shall issue a Notice of Inquiry ("NOI") to examine (a) whether and to what extent the requirements of the FCC's ETC Order (referenced in Part A above) should be adopted in Maine, and/or (b) to what extent Commission rules should apply to wireless ETC service. No party shall be precluded from proposing amendments to existing Commission rules or making a recommendation to the Commission regarding the applicability of the Commission's rules, in current form or as may be amended, to all ETCs in Maine.

8. Applicability of Chapter 290; Toll Blocking.

U.S. Cellular shall be subject to the provisions of Chapter 290 of the Commission's Rules, provided that:

(a) the only U.S. Cellular calling plan that shall be subject to Chapter 290 shall be the so-called "Basic Service Plan" described in Bradley Stein's Testimony of March 1, 2005 (the "Stein Testimony") and attached hereto as Stipulation Attachment B. U.S. Cellular shall (i) include the Basic Service plan in its standard marketing material for Maine, such as its Maine "map and rate sheet" (and any future brochures describing its Maine rate plans) and displayed on its web site with equal prominence to other Maine rate plans, and (ii) file reports semi-annually (beginning July 1, 2006) on the number of customers subscribing to the Basic Service Plan (such reports to be subject to the entry of a reasonable protective order sufficient to ensure that such information shall be protected against disclosure to competitors, including TAM). No other U.S. Cellular calling plan shall be subject to Chapter 290.

(b) as to said Plan, the Commission shall waive the provisions of Section 12(l) of Chapter 290, requiring an apportionment of bills between "basic" and "toll" service, a distinction not relevant in the wireless industry. (See *RCC Minnesota, Inc., Request for Waiver of Certain Requirements of Chapter 290*, MPUC Docket No. 2002-344 (Order dated April 13, 2004).

In addition, U.S. Cellular shall provide toll blocking, as described in the Stein Testimony.

9. Local Service Issues.

The parties agree that U.S. Cellular's existing rate plans, and the "Basic Service Plan" offered in Mr. Stein's March 2 Testimony, comply with the FCC's local usage requirements. Pursuant to this Stipulation, but subject to any rule that may be promulgated pursuant to Section B(7) hereof, U.S. Cellular shall not be required to provide a service that "closely resembles the local exchange service provided by wireline ETCs." See July Procedural Order at 2.

10. Public Safety Tower Attachments

U.S. Cellular understands that the Commission (a) has inquired regarding U.S. Cellular's willingness to permit competitors to obtain space on towers in Maine that U.S. Cellular owns and controls ("Tower Space"), and (b) wishes it to explore the possibility of making unused Tower Space available to the State of Maine and/or one or more of its political subdivisions for the purpose of attaching equipment (antennas, etc.) to be used to provide communications for public safety purposes.

As to (a), U.S. Cellular hereby confirms that it is its policy to bargain in good faith with competitors (and all other potential Tower Space users) for the lease of Tower Space on commercially reasonable, market-based terms, in fact makes Tower Space available to competitors in Maine and elsewhere, and has no plans to alter this policy.

As to (b), U.S. Cellular can advise that in fact it has made Tower Space available at no charge to public safety agencies in the State of Maine (such as to Sheriffs and Police Departments) on about a dozen of its towers located in Maine. Each of these free attachments has occurred on an ad hoc basis – in other words, U.S. Cellular has no formal policy regarding free public safety attachments. U.S. Cellular will continue to consider such requests on an ad hoc basis and will file a report annually describing such requests and any responses thereto.

D. Standard Stipulation Provisions.

1. Purpose; Rejection of Portion Constitutes Rejection of Whole.

The parties are entering into this Stipulation for the purpose of finally disposing of all issues raised in this Docket. If the Commission does not accept the entire Stipulation without material modification, then the Stipulation shall be null and void, and will not bind the parties in this proceeding.

2. No Precedent.

The making of this Stipulation by the parties shall not constitute precedent as to any matter of fact or law, nor, except as expressly provided otherwise herein, shall it foreclose any party from making any contention or exercising any right, including the right of appeal, in any other Commission proceeding or investigation, or in any other trial or action. Specifically, no aspect of this Stipulation may be used as evidence or otherwise for the proposition that U.S. Cellular either is or is not providing "basic exchange telephone service" as defined in 35-A M.R.S.A. Section 102 (13(B)).

IN WITNESS WHEREOF, the parties have caused this Stipulation to be executed and delivered, or have caused their lack of objection to be noted, by their respective attorneys.

Maine RSA #1, Inc.,
Maine RSA #4, Inc.,
Bangor Cellular Telephone, L.P.
Lewiston Celltelco Partnership

Dated: _____

By: _____
Their Attorney

OFFICE OF THE PUBLIC ADVOCATE

Dated: _____

By: _____
Attorney

TELEPHONE ASSOCIATION OF MAINE

Dated: _____

By: _____
External Affairs Manager

STIPULATION ATTACHMENT A

UNITED STATES CELLULAR CORPORATION TWO-YEAR MAINE BUILD-OUT PLAN

| Site no. | Cell Name | Market | Area Description |
|----------|----------------|--------|------------------------|
| 1 | Fort Fairfield | ME2 | Near Ft Kent |
| 2 | Peru | ME3 | Near Black Mt |
| 3 | Jonesport | ME4 | East of Millbridge |
| 4 | Rumford | ME3 | Near Black Mt |
| 5 | Bingham | ME2 | North of Skowhegan |
| 6 | Grand Isle | ME2 | Near Ft Kent |
| 7 | Beddington | ME4-B | Near Lead Mtn |
| 8 | Sedgewick | ME4-B | Western ME4 |
| 9 | Orland | ME4-B | Western ME4 |
| 10 | West Forks | ME3 | South of Jackman |
| 11 | Bridgton | PCS | On 302 by Shawnee Peek |
| 12 | Greenbush | Bangor | South of Vinegar Hill |
| 13 | Norridgewock | ME2 | West of Skowhegan |
| 14 | North Amity | ME2 | North of Weston |
| 15 | Benedicta | Bangor | South of Patten |
| 16 | Portage | ME2 | North of Ashland |
| 17 | Deblois | ME4 | NW of Millbridge |
| 18 | Rockwood | ME2 | East of Jackman |
| 19 | West Seboeis | ME2 | North of Milo |
| 20 | Hedgehog Hill | ME2 | North of Ashland |
| 21 | Canton | ME3 | ME3 South of Peru |

Source: Prefiled Direct Testimony of Markham L. Gartley, September 16, 2004

STIPULATION ATTACHMENT B

UNITED STATES CELLULAR CORPORATION MAINE BASIC SERVICE PLAN

| \$25 Maine 290 Price Plan | |
|---------------------------|--|
| Available State(s) | Maine |
| Account type | Individual |
| Price to consumer | \$25 |
| Monthly discount | \$0 |
| Included minutes | 125 |
| Overage | \$0.40/min |
| Contract term | 1 or 2 years |
| Included Features | Call Forwarding, Call Waiting, 3-WAY Calling |
| Activation Fee | \$30 |
| Handset Charges | Price varies by handset selected - No subsidy provided |
| Long Distance | Included |
| International Toll | Blocked |
| Roaming | Blocked |
| ShareTalk | No |
| Credit Check | Yes |
| Deposit Required | No |
| USF Charges | Charged |
| Local Calling Area | Continental United States |
| Calling Area Scope | Local calling area |